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THE TRANSPORTATION & BUSINESS LOGISTICS MAGAZINE

MARCH 1986

FINDING YOUR WAY THROUGH THE MARITIME FOG

Tales of Leasing, and Other Great Fleets
Getting Wrapped Up with Packaging

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COVER STORY

10 SLICING THROUGH THE MARITIME FOG

In the interest of survival (both their own, and their carriers'), ocean shippers are peering through the present murky morass and establishing long-term operational guidelines.

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DIALOGUE

Our January question asked readers to comment on transporting trade show exhibits. Most of the respondents indicated that, although they are frequently involved with moving exhibits to and from shows, they generally believe they are not given enough control, or enough cooperation, by their firm's sales and marketing departments. Often, they claim, the transportation department is consulted on such movements only after problems arise. The biggest complaint by far was that not enough lead time was provided when the transportation was arranged. But there were other dangers cited as well. Here's what our readers said:

"The biggest mistake is not allowing adequate time for delivery. Also, packaging is often incomplete."—**David A. White, materials manager, Transpro, Inc., Mt. Vernon, Mo.**

"Companies fail to allow enough time for shipping and processing, and don't share their show schedules far enough in advance for planning."—**John Strauss, transportation rate administrator, W. W. Grainger, Inc., Chicago.**

"Many shippers use unknown carriers, which use workers not specialized in setting up products and exhibits."—**John Slekis, traffic manager, Hyde Park, Mass.**

"I feel that carriers are paying damage claims that occur by exhibition handlers because we have very little damage on our shipments."—**John Cowie, traffic manager, Band-It Houdaille, Inc., Denver.**

"Too often, marketing and sales departments make deals and then call the transportation department at the last minute to say it's got to be there on such-and-such a date. Transportation people need time to do their job."—**T. R. Rhyne, traffic administrator, Joslyn Clark Control, Lancaster, S. C.**

"The biggest mistake is accepting past failures."—**Ralph Sepanski, general manager, Capico Manufacturing Co., Branford, Conn.**

"Exhibitors should allow their traffic departments to do the job. They are equipped to make sure exhibits arrive on time, without damage, and at a reasonable cost."—**R. J. Marshall, Jr., traffic manager, Duraco Products, Inc.**

"The most common mistake is not allowing enough time to transport the shipment. Premium transportation for an exhibit should be kept to a minimum."—**J. Perry, traffic supervisor, General Electric Co., King of Prussia, Pa.**

continued

QUESTION OF THE MONTH

A PLACE TO CALL HOME

American business is on the move. Piece by piece the industrial heartland of the country is being transplanted from the Northeast to the South and Southeast. But not all of the moves are being made for the same reasons, and not all are in the same direction. If the flood is toward the South, there is a more modest undercurrent drawing some companies northward too.

We'd like to know how important transportation factors are in the decision to relocate. Where does the advantage of proximity to suppliers fall in relation to the benefits of cheap labor and low tax rates? What about interstate highways? Are liberalized size and weight limits on the interstates enough to draw your firm closer to an exit ramp? Or has the abandonment of rail service left you isolated at your present site?

If you're thinking of adding a warehouse or distribution center, how does the state of intrastate regulation affect the choice of location? Is your company an importer or exporter? How essential is it that you locate near an air or seaport?

Finally, how much do you, as a distribution manager, get involved in the site selection process? Let us know on the card below.

DIALOGUE

March 1986

• Has your company opened a new facility, or relocated an existing facility in a new state, within the past two years?
Yes _____ No. To which state was the move made? _____
What kind of facility was involved? _____

• The major reasons for selecting the new location were (check all that are appropriate):
_____ proximity to suppliers; _____ proximity to customers;
_____ cost of labor; _____ local transportation network;
_____ tax advantages; _____ other (specify) _____

• As a transportation/distribution manager, how much input do you have into site location decisions? _____ a great deal;
_____ some; _____ very little.

• Which of your corporate departments seems to have the most influence in site location decisions?
_____ transportation/distribution; _____ finance;
_____ marketing/sales; _____ production/operations;
_____ executive.

Transportation/distribution's role in site locations should be:

NAME (print) _____ TITLE _____
COMPANY _____ PHONE _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

FIGURES IN SPEECH

(Quotes from transportation and distribution notables that have caught the ears of *DISTRIBUTION* editors:)

"People in Washington are looking for ways to more narrowly target unfair trade practices and ease pressures in this fashion, rather than to institute sweeping trade reforms. In 1934, the Foreign Trade Zone Act did little to help the international trading climate, but with the system now in place, foreign trade zones can and are helping to provide solutions to some of the thornier trade problems, by bringing new jobs, not necessarily new products, to the United States."—**William von Raab, commissioner, U.S. Customs Service.**

"It boggles the mind to think that there are some cargoes moving in 40-foot containers outbound to the Far East and Europe that garner total revenues for the lines in the \$400 to \$600 range. That amount, after all contributions to the expense side of the ledger, sometimes costs more than if the line just moved an empty container back. The cash reserves many lines had are gone. If you manage to get the right mix, you get to work another day. If you do not, you become another casualty."—**Ole A. Sweelund, vice president of operations, U.S. Northern Service, Trans Freight Lines, Inc.**

"Marketing fails to work with distribution when the display materials are designed, so they end up being packaged for appearance, but not for shipping across the country to a trade show. Then marketing wonders why the exhibit arrives in a damaged condition."—**James J. Paule, traffic manager, Spangler Candy Co., Bryan, Oh.**

"Too many of the people handling trade show transportation don't expect the pitfalls and all of the rip-off schemes they run up against. They make costly mistakes and then expect the traffic people to bail them out. The trick is to avoid problems in the first place. Nobody can help you once you get involved in a rip-off."—**Charles Welcome, traffic manager, EHV-Weldmann Ind. St. Johnsbury, Vt.**

"Most companies give up the responsibility to the sales department without reviewing the logistics of the move."—**Jerome A. Fisher, traffic manager, Lucas Milhaupt, inc. Cudahy, Wisc.**

"There are often no controls; no follow-up. Companies assume everything will happen correctly, and do not trace their shipments."—**Frank Vavrick, traffic manager, Giltspur Exhibits, Rochester, N.Y.**

"Why should being your own customer be any different than the way you treat the ones that pay the bills?"—**Dave Adiclisson, director of transportation, Inca Metal Products, Lewisville, Tex.**

EXHIBITION SEASON

My distribution department gets extensively involved	
in exhibit logistics	67%
my department should be more involved	73%
When I get involved in trade show logistics, it's to:	
select a carrier	73%
arrange pickup/delivery for a predetermined carrier	68%
negotiate a rate	50%
Other departments heavily involved in exhibit logistics are:	
marketing	68%
sales	50%
Your best bet for moving trade show exhibits is a:	
van line	41%
specialized, irregular route motor carrier	32%
The transportation charges my company pays for exhibits are:	
what I'd expect	45%
too high	41%



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